



**Testimony of John Erlingheuser, Advocacy Director, AARP Connecticut
On Senate Bill 570, 574, 575 and House Bills 5281, 5402, 6014, 6019, 6029
Energy and Technology Committee, February 24, 2015**

I would like to thank Chairpersons Doyle and Reed as well as Ranking members Formica and Ackert for hearing the many bills that address high electric costs, especially those that will cap the fixed customer service charges on electric bills. AARP Connecticut and its almost 600,000 members are in strong support of Senate Bills 570, 574, 575 and House Bills 5281, 5402, 6014, 6019, 6029.

Increasingly around the country, utilities are seeking to recover more of their costs through fixed customer charges that all customers pay, while deemphasizing charges that vary based on actual electric consumption. As a result, the burden of paying for these costs shifts away from customers who use more electricity and onto those who use less.

Last year the then Connecticut Light and Power Company, now Ever source, requested a significant increase in the fixed customer service charge as a part of their rate application in Public Utilities Regulatory *Docket No. 14-05-06*. The request was to increase the charge from \$16 per month to \$25.50. This change would have increased consumer bills by \$114 annually before consumers even turn on a light. The PURA awarded them a still significant increase from \$16 a month to \$19. The current United Illuminating customer service charge is \$17.25. Even before the \$3 a month increase, CL-P and UI had the highest charge in the New England Region.

Every time the fixed monthly customer charge for residents increases it gives customers much less control over their electric bills. Fixed charges result in a greater overall bill increase for lower use customers. Elderly and low- or fixed-income consumers are disproportionately impacted by these charges and could result in their taking actions to reduce costs that could harm their health and safety.

I would urge the Committee to draft legislation that will cap and limit fixed charges on electric bills. I have attached a chart that lays out the customer service charges for utilities across New England. Additionally, I have submitted language prepared by the Acadia Center that AARP supports to address this issue.

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Real Possibilities

Effective immediately, the Public Utilities Regulatory Authority may only authorize an electric distribution company to set a fixed charge on each residential customer account in an amount not to exceed ten dollars (\$10) per month. Beginning January 1, 2020, the maximum allowable fixed charge may be adjusted by no more than the annual percentage increase in the Consumer Price Index for the prior calendar year. "Fixed charge" means any fixed customer charge, basic service fee, flat distribution charge, or other charge not based upon the volume of electricity consumed, but not including demand charges, which are not covered by this provision.

STATE/Company	Residential customer service charge (monthly except as noted)
MAINE	
Central Maine Power	\$9.36
Bangor Hydro	\$5.97
Maine Public Service	\$7.59
RHODE ISLAND	
Narragansett Electric	\$5.00
NEW HAMPSHIRE	
Public Service of NH	\$12.50
Liberty Utilities (Granite State)	\$11.81
Unitil Energy Services	\$10.27
VERMONT	
Green Mountain Power (GMP area)	\$.43 daily
Green Mountain Power (CVPS area)	\$.43 daily
MASSACHUSETTS	
Western Massachusetts Electric	\$6.00
Boston Edison	\$6.43
Cambridge Electric Light	\$6.87
Commonwealth Electric	\$3.73
Massachusetts Electric	\$4.00
Fitchburg Gas and Electric Light	\$7.00